This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 05 KATHMANDU 001072

SIPDIS

E.O. 12958: N/A

TAGS: OPRC PGOV PREL KMDR NP

SUBJECT: WEEKLY NEPAL MEDIA REPORT: JUNE 3 - 9, 2003

- STATE FOR NP, AC, STATE FOR IN/R/MR AC, PM
- STATE FOR SA/INS, PM/CBM, PM/PRO
- STATE FOR SA/PPD

11. POLITICAL AFFAIRS

KING APPOINTS NEW PRIME MINISTER

-- King Gyanendra appointed (6/4) Surya Bahadur Thapa as the new Prime Minister. Thapa's appointment bri

to an end the controversy over "transfer" of the executive powers from the cabinet to the crown, following a royal decree on October 4. A press communique issued by the Royal Palace Press Secretariat said the cabinet will enjoy all executive powers as provided by the Constitution. CPN-UML and four other political parties, which proposed Madhav Kumar Nepal's candidature for the prime ministership, have expressed their dissatisfaction over Thapa's appointment. Seventy-five-year-old Thapa has been appointed to the top post for the fifth time in his political career that dates back to 1958. He had served three times as Prime Minister during the Panchayat era and once headed a coalition government after the restoration of democracy. Prime Minister Thapa said Wednesday the "King has cleared" the issues raised by the opposition with whom he "will seek a dialogue to end the current dangerous crisis in the country." and electronic media reports, 6/5) (Compiled from press

- -- Prime Minister Thapa was sworn in today (6/5), but the formation of a new cabinet will take longer as the five main political parties have refused to join his government. (Media reports, 6/6)
- -- "Thapa likely to expand cabinet today (6/9)". 3 ministers from Ratryia Prajatantra Party (RPP), 2 from previous cabinet." (Headline in the centrist "Kathmandu Post, E/D, 6/9)
- -- Nepal, Deuba go against prime minister's hope for support: CPN-UML general secretary Madhav Kumar Nepal and president of Nepali Congress (Democratic) Sher Bahadur Deuba rejected Prime Minister Thapa's offer to them to join the government. (Media reports, 6/9)
- -- Koirala puts condition for support: Nepali Congress president Girija Prasad Koirala offered to support the Surya Bahadur Thapa Government provided it would recommend revival of the dissolved House of parliament. (centrist "Kantipur," V/D, 6/7)

PM PLEDGES FOR PEACE AND ELECTIONS

-- Prime Minister Thapa pledged (6/7) that his government would evolve a national consensus in order to solve the Maoist problem. He appealed to all the political parties including the Maoists to come around to a national consensus and facilitate the people to exercise their right to elect a new government at the center as well as the local level. Major political parties have taken Thapa's address to the nation as not different from the traditional ones in its essence and meaning. (Media reports, 6/7)

PARTIES' REACTIONS

-- Prachanda sees foreign hand in PM change: The Maoists have accused the establishment of moving in the direction of unfortunate confrontation by staging the "drama of change of government" in the interest and direction of foreign forces. Prachanda adds that the stance towards the new government would be the same as towards the Chand government on the dialogue table, reiterating that constitutionally the Thapa government was not very different from the Chand government. (Media reports, 6/5) Dr. Baburam Bhattarai predecessor and him. He would do better to continue the four-month-old peace process." ("The Kathmandu Post," 6/5)

- Regressive move, says UM L: The meeting of the

standing committee of the UML on Thursday labeled Thapa's appointment as a "continuation of regression." ("Kantipur," 6/5)

- -- Five parties flay appointment: The five major political parties have flayed the appointment of Thapa as the new Prime Minister. They have claimed that the new move taken by the King was only eyewash and would merely strengthen regressive tendency. The parties collectively denounced the appointment and ruled out any possibility of joining the government. (Media reports, 6/5-6)
- -- Former Nepali Congress Minister skeptical: "Thapa's chance of his making an all-inclusive government is nowhere in sight. A most probable scenario is that his cabinet would consist of old Panchayat politicians rejected in the electoral process. Mr. Thapa will have to show all his skill and dynamism to prove that this will not be so, and what he means is nothing short of the immediate and full reactivation of the constitution, which is the fundamental law of the land." (Op-ed in the "Kathmandu Post, 6/7, by Dr. Ram Sharan Mahat, former Finance Minister and a Central Working Committee member of Nepali Congress Party)
- -- Constitutional experts find appointment faulty: Constitutional experts have termed the recent move of King Gyanendra to appoint Surya Bahadur Thapa as the new Prime Minister of being faulty and claimed that the repeated use of Article 127 of the Constitution would lead the country towards further confusion and chaos, published reports said. (Nepalnews.com, 6/5)
- -- Foreign hands: Security analysts claim that Chand's resignation was a result of the growing influence of the U.S. intelligence agency in Nepal's internal affairs. India became suspicious over the U.S.'s increasing interest in Nepal and mobilized all its energy to resolve Nepal's problems. When parliamentary parties proposed U.S.-trusted Madhav Nepal, even Sher Bahadur Deuba, the honest actor of the U.S. intelligence agency, supported the proposal. It was almost sure then that Nepal would become the new Prime Minister. But Indian heavy weights former PM Chandra Shekhar, former Ambassador K.V. Rajan and Nepal expert S.D. Muni, came to Kathmandu and played crucial roles to get Thapa to the post of prime minister. The Royal Palace remained merely a spectator, it was helpless. India beat America. (leftist "Janadharana," V/W, 6/5)
- -- Nepal has turned into a playground for foreign powers. The biggest question facing Nepalis today is where this foreign interference will take the country and its people's sovereignty. The recent visit of K.V. Rajan raises an interesting point of inquiry. It was during his visit Thapa emerged as a candidate for premiership, despite the recommendation of the five political parties. The nomination, however, did highlight one thing clearly: India intends to turn Nepal into another Sikkim. Thapa is a puppet. (leftist "Dristhi," V/W, 6/3)
 -- "No foreign hand in my appointment, says Thapa." (centrist "Rajdhani," V/D, 6/7)
- -- Students demonstrate: Student bodies of the five agitating political parties demonstrated in the capital Wednesday immediately after the announcement of the appointment of Surya Bahadur Thapa to the post of Prime Minister. (Nepalnews.com, 6/5)
- -- Nepali Times editorial: "...the West has always been allergic to that pseudo-radical party name, and regional players had their own favorite who was not the UML general secretary. It is an indication of how weak we have become as a state that diplomats this time didn't even bother to conceal their meetings with political leaders and express their preference for leadership..." (Nepali Times, 6/6)

12. PEACE TALKS

-- King must abdicate: Dr Bhattarai: Senior Maoist leader Dr. Baburam Bhattarai has disclosed that they had approached King Gyanendra to abdicate as a condition for resolution to the Maoist-led insurgency in the country. The proposal was, however, not

acceptable to the King, said Dr. Bhattarai, addressing a rally in Gorkha (6/8). "In response to our written set of demands, the King had let it be known through the ministers that he was not ready to give up the throne and the army. He had however agreed to the rest of the demands," Dr. Bhattarai said. Dr. Bhattarai demanded that the King must be ready to give up the throne and the army. "We are ready to give him both the posts of the prime minister and the president," he

said. He also said that his party would accept the King's stand only if he succeeds in curbing foreign interference in the country. (Media reports, 6/9)

- -- Maoists to take to streets: Four months after the government-Maoist ceasefire, the Maoists today announced a nation-wide people's movement, which they said would be peaceful and exert pressure on the government for the success of talks. (Reports, 6/9) -- Foreigners told to keep off Nepal affairs: Intelligentsia specially targets British envoy for his remarks on Nepal: The intelligentsia in Kathmandu us unhappy with the excessive interest of foreign envoys and diplomats in Nepal's affairs and their prescription of solutions to the problems plaguing Nepal. "The British ambassador cannot talk about Nepal as if it is Britain," said Neelamber Acharya, a leftist intellectual. (pro-India "Himalayan Times," E/D, 6/7)
- -- Maoists not to sit for talks until demands proposed at second round met: Maoists will not sit down at the negotiating table for the third phase of talks with the government until their political demands presented at the second round of talks last month are met, a rebel leader at the contact office in Kathmandu who did not want to be identified by name said. (Nepalnews.com, 6/5)
- -- "Old regime" to be blamed if talks fail, warns Prachanda: Maoist President Prachanda warned (6/3) that the "old regime" would be responsible for any consequences likely to arise in case the peace talks failed despite their last-hour efforts to make it a success. The statement said that attempts have been made to run the Royal Nepal Army in the American way. Prachanda said in the statement that foreign forces are active in engineering the conflict between the palace and the political parties. ("The Kathmandu Post," 6/4)
- -- Maoist shot dead in "encounter": A Maoist cadre was killed (6/3) when security forces stationed at the Khimti Hydroelectric Project and a group of armed Maoists clashed with each other in Ramechhap district. The security forces arrested a woman Maoist soon after. (Media reports, 6/4)
- -- Prachanda asks Americans to quit Nepal: A recent central committee meeting of the Communist Party of Nepal (Maoist) has decided to appeal to the people to launch campaign to force "American imperialists out of Nepal". According to a press statement signed by Prachanda, the party has decided to hold consultations on how to wage a war against the imperialists. ("The Himalayan Times," 6/3)
- -- Maoist leader accuses King of preparing to impose military rule: Member of the Maoist talks team Ram Bahadur Thapa alias Badal suspects the King is working secretly to impose military rule by terminating the

SIPDIS

ongoing peace talks. Badal pointed towards the incidents of U.S. interference, dissolution of the Chand government and the Information Minister's expression on the consensus on code of conduct of the Royal Nepal Army (RNA) as signs of incoming martial law. Blaming the U.S., Palace and RNA, Badal accused them of plotting against peace talks when the consensus from the second round of talks did not favor their motive. ("The Himalayan Times," 6/3)

13. POLITICAL PARTIES' MOVEMENT

- -- Parties demand Royal assets be made public: Five major political parties at the mock Upper House session (6/8) demanded that the Royal assets including that of late King Birendra and his family be made public. (Reports, 6/8)
- -- Maoist-parties joint agitation likely: Maoist leader
- Ram Bahadur Thapa "Badal" said (6/7) that efforts were underway to draw up a common strategy and program to give the ongoing five-party movement a new height. ("The Kathmandu Post," 6/8)
- -- Upper House members stopped outside Parliament: A group of Upper House members, led by the vice-chairman, was today denied entry to the Singha Durbar premises where the parliament secretariat is also located. Then it decided to sit at the main gate of the premises and conduct the meeting. It was for the first time in Nepal's parliamentary history that the incumbent members of the parliament were barred from entering the central secretariat of the government. The members of the Upper House -- the National Assembly -- were trying to enter the parliament building to hold a "special"

meeting", which was expected to adopt resolutions against the October 4 royal move. ("The Kathmandu Post" and others, 6/7)

14. TIBETAN REFUGEES

- -- Tibetans were 'illegal immigrants', claims China: The Chinese government today asserted that 18 Chinese nationals deported by Nepal were illegal immigrants and their handing over by the Nepali authorities was in conformity with the international norms and practices. Without mentioning the United States, Britain, United Nation High Commission for Refugees (UNHCR) who have criticized the government of Nepal for their 'repatriation', China said politicizing or adopting "double standard" would not be conducive for proper settlement of the issue of "illegal immigrants". The Government of Britain and the Amnesty International criticized the "repatriation". A British Embassy press statement said, "The United Kingdom deplores the government of Nepal's deportation of 18 Tibetan asylum seekers, including eight minors, to China." (Compiled from "The Kathmandu Post" and others, 6/4)
- -- No shift in policy: Nepal: Amid growing international outcry against deportation of 18 Tibetan refugees to China by Nepal, Nepal has reiterated that there is no shift in its policy towards the Tibetan refugees. UNHCR, the U. S. and German Governments have expressed outrage over the deportation. The statement issued by the U.S. embassy said deportations had violated existing international norms on human values. The U.S. also said it regretted Nepal's unfortunate change in policy. (Media reports, 6/4)
- -- China to punish 18 Tibetans: "The Kathmandu Post" (6/5) quoted AP and reported "China will punish a group of 18 Tibetans who illegally crossed into Nepal and were sent back to China last weekend, a Communist Party newspaper said on Monday."
- -- U.S. has no concern for Bhutanese refugees: The U.S., U.K, EU and UNHCR have criticized the government's act. However, the U.S. that showed deep concern for the issue of a dozen Chinese refugees has remained silent on the trouble and pain that Nepal has faced due to Bhutanese refugees. (editorial in centrist "Bimarsha," V/W, 6/6)

15. BUSINESS/ECONOMY

- -- Garment export to U.S. on rise: Garment exports to the United States, which absorbs almost 85 per cent of the total garments exported abroad from Nepal, grew for the tenth month in a row. ("The Kathmandu Post," 6/5)
- -- Forex in good shape: Foreign exchange reserves stood at Rs.115 billion until mid-April, enough to finance imports for more than 11 months, the Nepal Rastra Bank said. (Nepalnews.com, 6/6/03)

16. OTHERS

- -- New York art museum to show Nepali music tools: Several traditional Nepalese musical instruments will be put on permanent display at the Metropolitan Museum of Art in New York. The items consist of traditional Nepali wind, cymbal and percussion instruments. They have been gifted by monk Krishna Man, former chief librarian of the American Center in Kathmandu, to the museum. (government-owned "Rising Nepal," E/D, 6/7)
- -- Staging of "Death of a Salesman": The play "Death of a Salesman" by Arthur Miller, the inaugural production of a theatre
- program of the Central Department of English at Tribhuvan University, will be staged through June 6 to 8 at Lincoln School. The program is a part of the effort to create a Nepal-America Interdisciplinary Studies Program (NAIS). The play is being presented with the cooperation of Royal Nepal Academy, USEF/Nepal and the American Center. The cast includes teachers and students at the university. (press and media reports, 6/6/03)
- -- U.S. triples HIV/AIDS funding: U.S. President George Bush approved a 15 billion US dollar funding for the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, a statement issued by the U.S. Embassy here said today. (Media reports)
- -- NORAD expresses concern over fund misuse: Norwegian Agency for Development Cooperation (NORAD) has shown serious concern over the misuse of funding for girl students in remote Himalayan district of Humla. ("The

- -- American artist's Nepali songs: The American Center launched (6/3) Josh Brody's CD "Soaltee", which features Nepali songs by him and Nepali artists. All the proceeds from the sales of the CD will go to the Nepal Bhotia Education Center in Sankhuwasava, which Brody established four years ago. Brody came to Nepal in 1994 from the USA and returning home on 6/4. (Media reports, 6/3-5)
- -- Monkey business: Conservationists and officials concerned with wildlife are uptight over a recent health research-cum-treatment conducted on rhesus monkeys by the U.S. primate center and its local partner at Swayambhu. For two reasons. One: It was done illegally. Two: Certain quarters feel the treatment of the monkeys was but an insidious beginning of a sinister design. In a move that will not only enrage wildlife enthusiasts but will also draw protests from devout Hindus, the U.S. center is seeking permission to set up a subsidiary in Nepal and to use monkeys for bio-medical research. ("The Himalayan Times," 6/3)

BOGGS